

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1378 – HB 1324

March 26, 2013

SUMMARY OF ORIGINAL BILL: Authorizes any party to appeal to the local circuit court an action by a water and wastewater treatment authority. Authorizes a municipality annexing a utility district or sanitary district or other public service district, pursuant to Tenn. Code Ann. § 6-51-111, to provide services within the service area of the water and wastewater treatment authority.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004318): Deletes and rewrites the bill such that the only substantive change prescribes appeals to findings and adjudications by the water and wastewater treatment authority board to be made to the Utility Management Review Board within thirty days of the finding or adjudication and any appeal of a decision of the Utility Management Review Board to be made to the circuit court of the county

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to the Tennessee Regulatory Authority (TRA), this bill will not result in any significant fiscal impact to the Authority.
- It is assumed any cost associated with additional appeals heard by the Utility Management Review Board can be accommodated within existing resources without an increased appropriation or reduced reversion.
- Authorizing local circuit courts to hear appeals to actions of the Utility Management Review Board will not increase the amount of cases heard by a significant amount; therefore, any impact related to the courts is considered not significant.
- Pursuant to Tenn. Code Ann. § 6-51-111, an annexing municipality and a utility district, sanitary district, or other public service district shall attempt to reach agreement in writing for allocation and conveyance to the annexing municipality of any or all public

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functions, rights, duties, property, assets and liabilities. The annexing municipality shall have the exclusive right to perform or provide municipal and utility functions and services in any annexed territory.

- In the event an annexing municipality takes over the exclusive right to perform and provide utility functions in an area currently serviced by a water or wastewater treatment authority, the municipality servicing new customers would have an increase in revenue while the water or wastewater authority would have a decrease in revenue. However, this shift in funding will occur between local government entities, and as such the net impact to local government is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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